

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of the)
City of Springfield, Missouri, through the)
Board of Public Utilities, for a Waiver of)
Portions of Rule 4 CSR 240-31.065)
Requiring a Billing Surcharge for the)
Universal Service Fund Assessment.)

Case No. XE-2006-0105

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and states:

1. On September 6, 2005, the City of Springfield, Missouri, through the Board of Public Utilities ("Applicant") filed an application for a waiver of compliance from the 4 CSR 240-31.065 requirement that carriers bill a surcharge for the Missouri Universal Service Fund. Rule 4 CSR 240-31.065 states:

- (1) All applicable carriers shall place on each retail end-user customer's bill, a surcharge equal to the percentage assessment ordered by the commission.
- (2) The surcharge shall appear as a separate line item detailed as "Missouri Universal Service Fund."
- (3) The surcharge percentage shall be applied to each customer's total charges equating to the applicable carrier's net jurisdictional revenue.
- (4) All applicable carriers shall remit to the Fund Administrator the fund received as a result of the application of the MoUSF surcharge shall constitute full satisfaction of a carrier's annual percentage assessment.
- (5) No carrier may recover its Universal Service Fund (USF) assessment in any way other than through this surcharge.

The Applicant requests that the Commission waive the requirement to collect the Missouri Universal Service Fund ("MoUSF") surcharge from its end-users, and allow Applicant to remit its MoUSF assessment to the fund administrator from funds collected through the Applicant's

base rates. The Applicant states that the amount it collects for the MoUSF surcharge is so small that it would cost more than twice the surcharge to collect it separately.

2. The Staff believes the Applicant has demonstrated good cause for waiving 4 CSR 240-31.065. In the attached Staff Recommendation, labeled “Appendix A,” the Staff recommends that the Commission grant the City of Springfield its request to waive 4 CSR 240-31.065.

WHEREFORE, the Staff respectfully offers this recommendation to approve the application for a waiver of 4 CSR 240-31.065.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Marc Poston

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 28th day of September 2005.

/s/ Marc Poston

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No.: **XE-2006-0105** File No.: N/A
Applicant: **City of Springfield, Missouri, through the Board of Public Utilities of Springfield**

From: Mike Scheperle
Telecommunications Department

Natelle Dietrich 9/23/05 /s/ Marc Poston 9/23/05
Utility Operations Division/Date General Counsel's Office/Date

Subject: Staff Recommendation to Grant Request for Rule Waiver

Date: September 23, 2005 **Filing Deadline:** October 7, 2005

On September 6, 2005, the City of Springfield, Missouri, through the Board of Public Utilities of Springfield (Springfield), providing intrastate interexchange telecommunications services, filed an Application for Waiver of portions of Rule 4 CSR 240-31.065. The Commission issued an Order on September 8, 2005, directing the Staff to file its recommendation no later than October 7, 2005.

Springfield requests a waiver of portions of Rule 4 CSR 240-31.065 which require that all applicable carriers shall place on each retail end-user customer's bill a surcharge equal to the percentage assessment ordered by the Commission and that the surcharge shall appear as a separate line item detailed as Missouri Universal Service Fund. Springfield proposes that it not assess the surcharge to its customers. Instead, Springfield requests that it merely remit the amount of the Missouri Universal Service Fund charge to the Universal Fund Administrator without a separate line item for the surcharge. The Missouri Universal Service Fund charge would be paid from the base rates charged by the City of Springfield.

According to the Springfield application, the amount of the Missouri Universal Service Fund charge for all customers is approximately \$50.00 per month. The amount is so small that it would cost more than twice the surcharge to collect it separately, which would be a waste of resources leading to unnecessary increase in costs and rates.

The Commission's Order of March 17, 2005 in Case No. TO-98-329 advises certificated telecommunications companies that they may begin billing the USF assessment on May 1, 2005. Springfield did not detail the surcharge as a line item on each bill or collect the surcharge from each customer starting May 1, 2005 due to Springfield misreading Chapter 31 regulations. Springfield applied for the waiver upon realizing that Chapter 31 regulations do apply. Staff verified that Springfield has submitted payment(s) to the Missouri Universal Fund Administrator as required.

Commission Rule 4 CSR 240-2.060(4) allows the Commission to waive a rule if the applicant can provide justification showing good cause for granting the variance or waiver. Staff believes that the Springfield application provides good cause to grant the waiver request. Therefore, Staff recommends that the Commission issue an order approving the rule waiver request.

☒ The Company is not delinquent in filing an annual report or paying the PSC assessment.